

DD/S

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✓ Accounting

83962 25X1A6c

16 November 1956

Chief, EE

Chief of Station, [REDACTED]

25X1A6a

Administrative

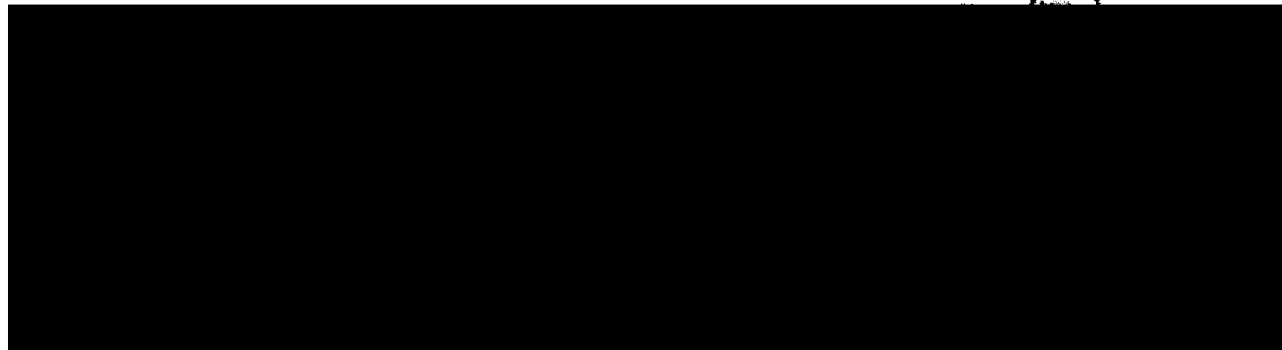
Statistical Data Bearing on FPA and PAC

REF: A. [REDACTED] 82150
 B. [REDACTED] 83296

1. In referenced dispatches we purposely avoided the inclusion of any comments regarding the technical merits or deficiencies of the FPA and PAC systems. We also did not provide any statistical data which would substantiate and give measurement to some of the arguments tendered. We did not do so, in part, because of the length of those papers but primarily because we did not want to distract the reader from the non-technical arguments presented and which we feel are the most important.

2. However, a chance discussion with [REDACTED] revealed his belief that one of the major arguments for establishing and maintaining FPA in the [REDACTED] Station has been the high dollar value of our inventories. This induced us to take a look at our inventories and to appraise the significance of this argument. After doing so, it seemed desirable to present an analysis of our largest and most typical inventory account [REDACTED] in order to present the argument in proper perspective. An analysis of the FOB inventory as of 31 October 1956 follows.

25X1A



3. There are numerous facts to be derived from this analysis which have a significant bearing on the relative value and usefulness of FPA and PAC. These are:

(a) Ninety per cent of total property is property in use and issued on Memorandum Receipt. The turnover (issue-return and reissue) of most of this property is obviously very infrequent. FPA accordingly affords no continuing

reassurance or additional controls over the management of such property. The effective management and control of such property is inherent in the Memorandum Receipt system itself and our supplementary controls such as TVA management, accident reporting and survey system, and quarters control system wherein each tenant is inventoried in and out of KUBARK quarters.

(b) Vehicles and furniture constitute approximately 40% of the stocks on hand and represent largely items which by reason of size, nature, and subsidiary controls are not susceptible to theft or loss. 25X1C

4. We hope this analysis will be generally useful in your consideration of the total problem.

Distribution:
3 - EE

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